

PUBLIC ACTS, 1999

CHAPTER NO. 346

SENATE BILL NO. 917

By Rochelle, Kyle

Substituted for: House Bill No. 992

By Hargrove

AN ACT To amend Tennessee Code Annotated, Title 48, relative to limited liability entities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 48-203-102(c), is amended by deleting the subsection in its entirety and by substituting the following language:

(c) Deferred Effective Date. If the date of formation of the LLC is later than the date of filing of the initial articles with the Secretary of State, the organizers or any member may, within thirty (30) days after the date of actual formation, file a certificate of formation which states that the LLC was formed and the date of formation. If a certificate of formation is not filed within one hundred twenty (120) days from the date of initial filing of the articles, the presumed effective date of the formation shall be on the ninetieth day following the date of filing of the articles. The presumption, however, can be rebutted.

SECTION 2. Tennessee Code Annotated, Section 48-203-103, is amended by deleting the section in its entirety.

SECTION 3. Tennessee Code Annotated, Section 48-205-101(6), is amended by deleting the language "which shall not be less than two (2)" appearing after the word "articles".

SECTION 4. Tennessee Code Annotated, Section 48-232-102(a), is amended by adding the following sentence to the end of the subsection:

The sole member of an LLC may freely assign governance rights and/or membership interests in the LLC at any time.

SECTION 5. Tennessee Code Annotated, Section 48-232-102(b), is amended by inserting the following language at the beginning of the subdivision:

"Except in the case of a single-member LLC or as provided in subdivision (d)," before the words "If approval of the admission".

Tennessee Code Annotated, Section 48-232-102(b), is further amended by deleting the word "If" appearing before the word "approval" in the first sentence of the subdivision and by substituting instead the word "if".

Tennessee Code Annotated, Section 48-232-102(b), is further amended by inserting the word "or" after the words "non-transferring members" in each of the first two places that the

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words "non-transferring members" appear and by deleting the language ", or a majority-in-interest of the non-transferring members".

Tennessee Code Annotated, Section 48-232-102(b), is further amended by adding the following sentence to the end of the subsection:

With respect to a single-member LLC, the transferring member may approve the admission of one (1) or more new members.

SECTION 6. Tennessee Code Annotated, Section 48-245-101(b), is amended by deleting the word "are" appearing after the words "a member if there" and by substituting instead the word "is"; by deleting the word and figure "two (2)" where they appear in the subsection and by substituting instead the word and figure "one (1)"; and by deleting the letter "s" from the word "members" appearing before the words "and the existence".

Tennessee Code Annotated, Section 48-245-101(b), is further amended by deleting the words "in interest" appearing after the word "majority" and by substituting instead the word "vote" and by deleting the word "interest" appearing after the word "greater" and by substituting instead the word "vote".

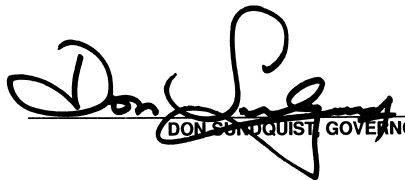
SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 27, 1999


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 14th day of June 1999


DON SUNDQUIST, GOVERNOR